

AMENDED IN ASSEMBLY JUNE 4, 2001
AMENDED IN ASSEMBLY MAY 17, 2001
AMENDED IN SENATE MARCH 27, 2001
AMENDED IN SENATE MARCH 7, 2001
AMENDED IN SENATE FEBRUARY 26, 2001

SENATE BILL

No. 34

**Introduced by Senators Burton and Johnson
(Coauthor: Senator Karnette)**

December 4, 2000

An act to amend Sections 84204, 84215, 85301, 85303, 85306, 85309, 85311, 85312, 85317, 85318, 85400, 85500, 85501, 85600, 85601, and 89510 of, and to add Section 85321 to, the Government Code, and to amend Section 83 of Proposition 34, as approved by the voters at the November 7, 2000, general election, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 34, as amended, Burton. Political Reform Act of 1974.

The Political Reform Act of 1974 was amended by Proposition 34, a legislative initiative amendment adopted by the voters at the November 7, 2000, statewide general election. The changes enacted by Proposition 34 became operative on January 1, 2001, with the exception of certain provisions pertaining to candidates for statewide elective office that become operative on or after November 6, 2002.

This bill would limit this exception to those provisions of Proposition 34 that impose limitations on campaign contributions *to*, and voluntary expenditures by, candidates and ~~required specified provisions to be included in statewide ballot pamphlets that require the inclusion of candidates who accept voluntary expenditure limits in the statewide ballot pamphlet, except as specified.~~

Existing law requires a candidate or committee that makes a defined late independent expenditure to report the expenditure within 24 hours of the time it is made.

This bill would provide that this requirement applies only to committees.

Existing law requires a statewide elected officer, including members of the Board of Equalization, to file the original and one copy of his or her campaign statement with the Secretary of State, 2 copies with the Registrar-Recorder of Los Angeles County, and 2 copies with the Registrar of Voters of the City and County of San Francisco.

This bill would instead require members of the State Board of Equalization to file the original and one copy with the Secretary of State and 2 copies with the clerk of the county with the largest number of registered voters in the district affected.

Existing law establishes certain limits on the amount of contributions that a person or group can make to a candidate for elective state office, or to a committee.

This bill would provide that the contribution limit applies to contributions made to a political party used for the purpose of making expenditures at the behest of a candidate for elective state office for communications to party members related to the candidate's candidacy for elective state office.

Existing law requires specified committees primarily formed to support one or more state ballot measures to file online or electronically with the Secretary of State, within 24 hours of receipt of a contribution of \$1,000 or more received during an election cycle, a report disclosing the receipt of the contribution.

This bill would apply this provision to specified committees primarily formed to oppose, as well as support, one or more state ballot measures. The bill would require these committees to file online or electronically with the Secretary of State, within 48 hours of receipt of a contribution of \$5,000 or more received at any time other than during an election cycle, a report disclosing receipt of the contribution. The bill would also require specified candidates for elective state office to file

online or electronically with the Secretary of State, within 48 hours of receipt of a contribution of \$5,000 or more received at any time other than during an election cycle, a report disclosing the receipt of the contribution.

Existing law provides that, for the purposes of contribution limits imposed by the Political Reform Act of 1974, payments for communications to an organization's members, employees, shareholders, or their family members, to support or oppose a candidate or ballot measure are not contributions or independent expenditures if not made for general public advertisements, such as broadcasting, billboards, or newspaper ads.

This bill would delete the exception of the above payments as independent expenditures. It would require that payments by a political party for communications to registered party members that would otherwise qualify as contributions be reported only in accordance with provisions governing the filing of periodic campaign reports.

Existing law authorizes a candidate for elective state office to raise contributions for a general election prior to the primary election for the same elective state office if the candidate sets aside these contributions and uses these contributions for the general election. Under existing law, if the candidate for elective state office is defeated in the primary election or otherwise withdraws from the general election, he or she is required to refund the general election funds to the contributors on a pro rata basis less any expenses associated with the raising and administration of general election contributions.

This bill would apply these provisions to special primary and special general elections, and would authorize candidates for elective state office to establish separate campaign contribution accounts for the primary and general elections or special primary and special general elections.

Existing law establishes specified contribution limitations with regard to candidates for elective state office and statewide elective office.

This bill would provide that if a candidate for elective state office or the candidate's controlled committee had net debts resulting from an election held prior to January 1, 2001, contributions to that candidate or committee for that election are not subject to specified contribution limitations if the aggregate amount of those contributions does not exceed the amount of the net debt.



Existing law requires specified committees that make independent expenditures of \$1,000 or more during an election cycle in connection with a candidate for elective state office to file online or electronically a report with the Secretary of State disclosing the making of the independent expenditure, within 24 hours of the time the independent expenditure is made. Existing law provides that an expenditure may not be considered independent, and shall be treated as a contribution from the person making the expenditure to the candidate on whose behalf, or for whose benefit, the expenditure is made, if the expenditure is made under specified circumstances.

This bill would *include a committee that makes independent expenditures in connection with a state ballot measure in the online or electronic reporting requirement*, and revise the circumstances under which an expenditure may not be considered independent for purposes of the provisions described above.

Existing law prohibits a controlled committee of a candidate from making independent expenditures and contributing funds to another committee for the purpose of making independent expenditures.

This bill would revise this provision to prohibit a controlled committee of a candidate from making independent expenditures and contributing funds to another committee for the purpose of making independent expenditures to support or oppose other candidates.

Existing law requires the Secretary of State and local election officers to designate in the ballot pamphlet those candidates for elective state office who have voluntarily agreed to specified expenditure limitations.

This bill would instead require the Secretary of State to designate in the state ballot pamphlet those candidates for statewide elective office who have voluntarily agreed to those expenditure limitations. The bill would also require local elections officers to designate in the voter information portion of the sample ballot those candidates for State Senate and Assembly who have voluntarily agreed to the expenditure limitations, thereby imposing a state-mandated local program.

Existing law authorizes a candidate for elective state office who accepts voluntary expenditure limits to purchase the space to place a statement in the ballot pamphlet that does not exceed 250 words.

This bill would instead authorize a candidate for statewide elective office who accepts specified voluntary expenditure limitations to purchase the space to place a statement in the state ballot pamphlet that does not exceed 250 words. This bill would prohibit the Secretary of State, on and after November 6, 2002, from including in the state ballot



pamphlet a statement from any candidate who has not voluntarily agreed to specified expenditure limitations. This bill would also authorize a candidate for State Senate or Assembly who accepts specified voluntary expenditure limitations to purchase the space to place a statement in the voter information portion of the sample ballot that does not exceed 250 words.

Existing law requires prescribed disclosure of a campaign contribution made to a committee on the condition that it be used to make a contribution to a particular candidate.

This bill would require that loans made to a committee for contribution to a particular candidate be disclosed as well.

Under existing law, a candidate may only accept contributions in accordance with specified provisions of law concerning campaign contribution and voluntary expenditure limitations, and all contributions deposited into the campaign account are deemed to be held in trust for the purposes set forth in those provisions of law.

This bill would instead provide that a candidate for elective state office may only accept contributions within the limits provided in those specified provisions of law concerning campaign contribution and voluntary expenditure limitations, and that all contributions deposited into the campaign account are deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

This bill would make related changes.

Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these criminal penalties on persons who violate the provisions of the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs

so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 84204 of the Government Code is
2 amended to read:

3 84204. (a) A committee that makes a late independent
4 expenditure, as defined in Section 82036.5, shall report the late
5 independent expenditure by facsimile transmission, telegram,
6 guaranteed overnight mail through the United States Postal
7 Service, or personal delivery within 24 hours of the time it is made.
8 A late independent expenditure shall be reported on subsequent
9 campaign statements without regard to reports filed pursuant to
10 this section.

11 (b) A committee that makes a late independent expenditure
12 shall report its full name and street address, as well as the name,
13 office, and district of the candidate if the report is related to a
14 candidate, or if the report is related to a measure, the number or
15 letter of the measure, the jurisdiction in which the measure is to be
16 voted upon, and the amount and the date, as well as a description
17 of goods or services for which the late independent expenditure
18 was made. In addition to the information required by this
19 subdivision, a committee that makes a late independent
20 expenditure shall include with its late independent expenditure
21 report the information required by paragraphs (1) to (5), inclusive,
22 of subdivision (f) of Section 84211, covering the period from the
23 day after the closing date of the last campaign report filed to the
24 date of the late independent expenditure, or if the committee has
25 not previously filed a campaign statement, covering the period



1 from the previous January 1 to the date of the late independent
2 expenditure. No information required by paragraphs (1) to (5),
3 inclusive, of subdivision (f) of Section 84211, that is required to
4 be reported with a late independent expenditure report by this
5 subdivision, is required to be reported on more than one late
6 independent expenditure report.

7 (c) A committee that makes a late independent expenditure
8 shall file a late independent expenditure report in the places where
9 it would be required to file campaign statements under this article
10 as if it were formed or existing primarily to support or oppose the
11 candidate or measure for or against which it is making the late
12 independent expenditure.

13 (d) A report filed pursuant to this section shall be in addition to
14 any other campaign statement required to be filed by this article.

15 SEC. 2. Section 84215 of the Government Code is amended
16 to read:

17 84215. All candidates, elected officers, committees, and
18 proponents of state ballot measures or the qualification of state
19 ballot measures, except as provided in subdivision (e), shall file
20 two copies of the campaign statements required by Section 84200
21 with the clerk of the county in which they are domiciled. A
22 committee is domiciled at the address listed on its campaign
23 statement unless it is domiciled outside California in which case
24 its domicile shall be deemed to be Los Angeles County for the
25 purpose of this section. In addition, campaign statements shall be
26 filed at the following places:

27 (a) Statewide elected officers and candidates for these offices
28 other than the Board of Equalization, supreme court justices, their
29 controlled committees, committees formed or existing primarily
30 to support or oppose these candidates, elected officers, supreme
31 court justices, or statewide measures, or the qualification of state
32 ballot measures, and all state general purpose committees and
33 filers not specified in subdivisions (b) to (e), inclusive:

34 (1) The original and one copy with the Secretary of State.

35 (2) Two copies with the Registrar-Recorder of Los Angeles
36 County.

37 (3) Two copies with the Registrar of Voters of the City and
38 County of San Francisco.

39 (b) Members of the Legislature or Board of Equalization, court
40 of appeal justices, superior court judges, candidates for those

1 offices, their controlled committees, and committees formed or
2 existing primarily to support or oppose these candidates or
3 officeholders:

4 (1) The original and one copy with the Secretary of State.

5 (2) Two copies with the clerk of the county with the largest
6 number of registered voters in the districts affected.

7 (c) Elected officers in jurisdictions other than legislative
8 districts, Board of Equalization districts, or appellate court
9 districts that contain parts of two or more counties, candidates for
10 these offices, their controlled committees, and committees formed
11 or existing primarily to support or oppose candidates or local
12 measures to be voted upon in one of these jurisdictions shall file
13 the original and one copy with the clerk of the county with the
14 largest number of registered voters in the jurisdiction.

15 (d) County elected officers, municipal court judges, candidates
16 for these offices, their controlled committees, committees formed
17 or existing primarily to support or oppose candidates or local
18 measures to be voted upon in any number of jurisdictions within
19 one county, other than those specified in subdivision (e), and
20 county general purpose committees shall file the original and one
21 copy with the clerk of the county.

22 (e) City elected officers, candidates for city office, their
23 controlled committees, committees formed or existing primarily
24 to support or oppose candidates or local measures to be voted upon
25 in one city, and city general purpose committees shall file the
26 original and one copy with the clerk of the city. These elected
27 officers, candidates, and committees need not file with the clerk of
28 the county in which they are domiciled.

29 (f) Notwithstanding the above, a committee, candidate, or
30 elected officer is not required to file more than the original and one
31 copy, or two copies, of a campaign statement with any one county
32 or city clerk or with the Secretary of State.

33 (g) If a committee is required to file campaign statements
34 required by Section 84200 or 84200.5 in places designated in
35 subdivisions (d) and (e), it shall continue to file these statements
36 in those places, in addition to any other places required by this title,
37 until the end of the calendar year.

38 SEC. 3. Section 85303 of the Government Code is amended
39 to read:

85303. (a) A person may not make to any committee, other than a political party committee, and a committee other than a political party committee may not accept, any contribution totaling more than five thousand dollars (\$5,000) per calendar year for the purpose of making contributions to candidates for elective state office.

(b) A person may not make to any political party committee, and a political party committee may not accept, any contribution totaling more than twenty-five thousand dollars (\$25,000) per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state office. Notwithstanding Section 85312, this limit applies to contributions made to a political party used for the purpose of making expenditures at the behest of a candidate for elective state office for communications to party members related to the candidate's candidacy for elective state office.

(c) Except as provided in Section 85310, nothing in this chapter shall limit a person's contributions to a committee or political party committee provided the contributions are used for purposes other than making contributions to candidates for elective state office.

(d) Nothing in this chapter limits a candidate for elected state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election related activities or holding office to a political party committee, provided those transferred contributions are used for purposes consistent with paragraph (4) of subdivision (b) of Section 89519.

SEC. 4. Section 85306 of the Government Code is amended to read:

85306. (a) A candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same candidate. Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 85301 or 85302.

(b) Notwithstanding subdivision (a), a candidate for elective state office, other than a candidate for statewide elective office, who possesses campaign funds on January 1, 2001, may use those

1 funds to seek elective office without attributing the funds to
2 specific contributors.

3 (c) Notwithstanding subdivision (a), a candidate for statewide
4 elective office who possesses campaign funds on November 6,
5 2002, may use those funds to seek elective office without
6 attributing the funds to specific contributors.

7 SEC. 5. Section 85309 of the Government Code is amended
8 to read:

9 85309. (a) In addition to any other report required by this
10 title, a candidate for elective state office who is required to file
11 reports pursuant to Section 84605 shall file online or electronically
12 with the Secretary of State a report disclosing receipt of a
13 contribution of one thousand dollars (\$1,000) or more received
14 during an election cycle. Those reports shall disclose the same
15 information required by subdivision (a) of Section 84203 and shall
16 be filed within 24 hours of receipt of the contribution.

17 (b) In addition to any other report required by this title, any
18 committee primarily formed to support or oppose one or more
19 state ballot measures that is required to file reports pursuant to
20 Section 84605 shall file online or electronically with the Secretary
21 of State a report disclosing receipt of a contribution of one
22 thousand dollars (\$1,000) or more received during an election
23 cycle. Those reports shall disclose the same information required
24 by subdivision (a) of Section 84203 and shall be filed within 24
25 hours of receipt of the contribution.

26 (c) In addition to any other report required by this title, a
27 candidate for elective state office who is required to file reports
28 pursuant to Section 84605 shall file online or electronically with
29 the Secretary of State a report disclosing receipt of a contribution
30 of five thousand dollars (\$5,000) or more received at any time
31 other than during an election cycle. Those reports shall disclose the
32 same information required by subdivision (a) of Section 84203
33 and shall be filed within 48 hours of receipt of the contribution.

34 (d) In addition to any other report required by this title, a
35 committee primarily formed to support or oppose a state ballot
36 measure that is required to file reports pursuant to Section 84605
37 shall file online or electronically with the Secretary of State a
38 report disclosing receipt of a contribution of five thousand dollars
39 (\$5,000) or more received at any time other than during an election
40 cycle. Those reports shall disclose the same information required

1 by subdivision (a) of Section 84203 and shall be filed within 48
2 hours of receipt of the contribution.

3 SEC. 6. Section 85311 of the Government Code is amended
4 to read:

5 85311. (a) For purposes of the contribution limits of this
6 chapter, the following terms have the following meanings:

7 (1) “Entity” means any person, other than an individual.

8 (2) “Majority owned” means an ownership of more than 50
9 percent.

10 (b) The contributions of an entity whose contributions are
11 directed and controlled by any individual shall be aggregated with
12 contributions made by that individual and any other entity whose
13 contributions are directed and controlled by the same individual.

14 (c) If two or more entities make contributions that are directed
15 and controlled by a majority of the same persons, the contributions
16 of those entities shall be aggregated.

17 (d) Contributions made by entities that are majority owned by
18 any person shall be aggregated with the contributions of the
19 majority owner and all other entities majority owned by that
20 person, unless those entities act independently in their decisions to
21 make contributions.

22 SEC. 7. Section 85312 of the Government Code is amended
23 to read:

24 85312. For purposes of this title, payments for
25 communications to members, employees, shareholders, or
26 families of members, employees, or shareholders of an
27 organization, ~~including an organization’s sponsored committee,~~
28 for the purpose of supporting or opposing a candidate or a ballot
29 measure are not contributions or expenditures, provided those
30 payments are not made for general public advertising such as
31 broadcasting, billboards, and newspaper advertisements.
32 However, payments made by a political party for communications
33 to its members who are registered with that party which would
34 otherwise qualify as contributions or ~~independent~~ expenditures
35 shall *only* be reported in accordance with Article 2 (commencing
36 with Section 84200) of Chapter 4 of this title.

37 SEC. 8. Section 85317 of the Government Code is amended
38 to read:

39 85317. Notwithstanding subdivision (a) of Section 85306, a
40 candidate for elective state office may carry over contributions

1 raised in connection with one election for elective state office to
2 pay campaign expenditures incurred in connection with a
3 subsequent election for the same elective state office.

4 SEC. 9. Section 85318 of the Government Code is amended
5 to read:

6 85318. A candidate for elective state office may raise
7 contributions for a general election prior to the primary election,
8 and for a special general election prior to a special primary
9 election, for the same elective state office if the candidate sets aside
10 these contributions and uses these contributions for the general
11 election or special general election. If the candidate for elective
12 state office is defeated in the primary election or special primary
13 election, or otherwise withdraws from the general election or
14 special general election, the general election or special general
15 election funds shall be refunded to the contributors on a pro rata
16 basis less any expenses associated with the raising and
17 administration of general election or special general election
18 contributions. Notwithstanding Section 85201, candidates for
19 elective state office may establish separate campaign contribution
20 accounts for the primary and general elections or special primary
21 and special general elections.

22 SEC. 10. Section 85321 is added to the Government Code, to
23 read:

24 85321. Notwithstanding any other provision of this chapter,
25 if a candidate for elective state office or the candidate's controlled
26 committee had net debts resulting from an election held prior to
27 January 1, 2001, contributions to that candidate or committee for
28 that election are not subject to the limits of Sections 85301 and
29 85302 if the aggregate amount of those contributions does not
30 exceed the amount of the net debt and the costs of raising the
31 contributions. Any such contributions shall be used only to pay the
32 net debts and the costs of raising the contributions.

33 SEC. 11. Section 85400 of the Government Code is amended
34 to read:

35 85400. (a) A candidate for elective state office, other than the
36 Board of Administration of the Public Employees' Retirement
37 System, who voluntarily accepts expenditure limits may not make
38 campaign expenditures in excess of the following:

39 (1) For an Assembly candidate, four hundred thousand dollars
40 (\$400,000) in the primary or special primary election and seven

1 hundred thousand dollars (\$700,000) in the general or special
2 general election.

3 (2) For a Senate candidate, six hundred thousand dollars
4 (\$600,000) in the primary or special primary election and nine
5 hundred thousand dollars (\$900,000) in the general or special
6 general election.

7 (3) For a candidate for the State Board of Equalization, one
8 million dollars (\$1,000,000) in the primary election and one
9 million five hundred thousand dollars (\$1,500,000) in the general
10 election.

11 (4) For a statewide candidate other than a candidate for
12 Governor or the State Board of Equalization, four million dollars
13 (\$4,000,000) in the primary election and six million dollars
14 (\$6,000,000) in the general election.

15 (5) For a candidate for Governor, six million dollars
16 (\$6,000,000) in the primary election and ten million dollars
17 (\$10,000,000) in the general election.

18 (b) For purposes of this section, “campaign expenditures” has
19 the same meaning as “election-related activities” as defined in
20 clauses (i) to (vi), inclusive, and clause (viii) of subparagraph (C)
21 of paragraph (2) of subdivision (b) of Section 82015.

22 (c) A campaign expenditure made by a political party on behalf
23 of a candidate may not be attributed to the limitations on campaign
24 expenditures set forth in this section.

25 SEC. 12. Section 85500 of the Government Code is amended
26 to read:

27 85500. (a) In addition to any other report required by this
28 title, a committee, including a political party committee, that is
29 required to file reports pursuant to Section 84605 and that makes
30 independent expenditures of one thousand dollars (\$1,000) or
31 more during an election cycle in connection with a candidate for
32 elective state office *or state ballot measure*, shall file online or
33 electronically a report with the Secretary of State disclosing the
34 making of the independent expenditure. This report shall disclose
35 the same information required by subdivision (b) of Section 84204
36 and shall be filed within 24 hours of the time the independent
37 expenditure is made.

38 (b) An expenditure may not be considered independent, and
39 shall be treated as a contribution from the person making the
40 expenditure to the candidate on whose behalf, or for whose benefit,

1 the expenditure is made, if the expenditure is made under any of
2 the following circumstances:

3 (1) The expenditure is made with the cooperation of, or in
4 consultation with, the candidate on whose behalf, or for whose
5 benefit, the expenditure is made, or any controlled committee or
6 any agent of the candidate.

7 (2) The expenditure is made in concert with, or at the request
8 or suggestion of, the candidate on whose behalf, or for whose
9 benefit, the expenditure is made, or any controlled committee or
10 any agent of the candidate.

11 (3) The expenditure is made under any arrangement,
12 coordination, or direction with respect to the candidate or the
13 candidate's agent and the person making the expenditure.

14 SEC. 13. Section 85501 of the Government Code is amended
15 to read:

16 85501. A controlled committee of a candidate may not make
17 independent expenditures and may not contribute funds to another
18 committee for the purpose of making independent expenditures to
19 support or oppose other candidates.

20 SEC. 14. Section 85600 of the Government Code is amended
21 to read:

22 85600. The Secretary of State shall designate in the state
23 ballot pamphlet those candidates for statewide elective office, as
24 defined in Section 82053, who have voluntarily agreed to the
25 expenditure limitations set forth in Section 85400. Local elections
26 officers shall designate in the voter information portion of the
27 sample ballot those candidates for State Senate and Assembly who
28 have voluntarily agreed to the expenditure limitations set forth in
29 Section 85400.

30 SEC. 15. Section 85601 of the Government Code is amended
31 to read:

32 85601. (a) A candidate for statewide elective office, as
33 defined in Section 82053, who accepts the voluntary expenditure
34 limits set forth in Section 85400 may purchase the space to place
35 a statement in the state ballot pamphlet that does not exceed 250
36 words. The statement may not make any reference to any opponent
37 of the candidate. The statement shall be submitted in accordance
38 with timeframes and procedures set forth by the Secretary of State
39 for the preparation of the state ballot pamphlets.



(b) Notwithstanding subdivision (e) of Section 88001 of this code or subdivision (e) of Section 9084 of the Elections Code, on and after November 6, 2002, the Secretary of State may not include in the state ballot pamphlet a statement from a candidate who has not voluntarily agreed to the expenditure limitations set forth in Section 85400.

(c) A candidate for State Senate or Assembly who accepts the voluntary expenditure limits set forth in Section 85400 may purchase the space to place a statement in the voter information portion of the sample ballot that does not exceed 250 words. The statement may not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with the timeframes and procedures set forth in the Elections Code for the preparation of the voter information portion of the sample ballot.

SEC. 16. Section 89510 of the Government Code is amended to read:

89510. (a) A candidate for elective state office may only accept contributions within the limits provided in Chapter 5 (commencing with Section 85100).

(b) All contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

SEC. 17. Section 83 of Proposition 34, as approved by the voters at the November 7, 2000, general election, is amended to read:

Sec. 83. This act shall become operative on January 1, 2001. However, Article 3 (commencing with Section 85300), except ~~subdivision (a)~~ *subdivisions (a) and (c)* of Section 85309, Article 4 (commencing with Section 85400), and Article 6 (commencing with Section 85600) of Chapter 5 of Title 9 of the Government Code shall apply to candidates for statewide elective office beginning on and after November 6, 2002.

SEC. 18. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because in that regard this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

3 However, notwithstanding Section 17610 of the Government
4 Code, if the Commission on State Mandates determines that this
5 act contains other costs mandated by the state, reimbursement to
6 local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code. If the statewide cost of the
9 claim for reimbursement does not exceed one million dollars
10 (\$1,000,000), reimbursement shall be made from the State
11 Mandates Claims Fund.

12 SEC. 19. The Legislature finds and declares that the
13 provisions of this act further the purposes of the Political Reform
14 Act of 1974 within the meaning of subdivision (a) of Section
15 81012 of the Government Code.

16 SEC. 20. This act is an urgency statute necessary for the
17 immediate preservation of the public peace, health, or safety
18 within the meaning of Article IV of the Constitution and shall go
19 into immediate effect. The facts constituting the necessity are:

20 In order to make necessary changes to the Political Reform Act
21 of 1974 at the earliest possible time because of the need to
22 implement Proposition 34 and make clarifying and conforming
23 changes that reflect the purposes of Proposition 34, it is necessary
24 that this act take effect immediately.

